

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

UNITED STATES OF AMERICA,

No. 2:20-CV-1695

Plaintiff,

COMPLAINT

v.

ERIC RICHEY,

Defendant.

Plaintiff, the United States of America, by and through its undersigned attorneys, brings this complaint against Defendant ERIC RICHEY, and alleges the following:

I. NATURE OF THIS ACTION

1. Starting as early as August 2019 and continuing to the present, Defendant has conducted financial transactions with large sums of illegally obtained money, knowing that his transactions are designed to conceal the nature, source, location, ownership, and control of proceeds. Defendant's conduct includes knowingly receiving money obtained via fraud and then immediately transmitting the same money to accomplices. Defendant has transmitted money to and from accomplices using Bitcoin and similar technologies.

3. This Court has jurisdiction over this action under 18 U.S.C. § 1345 and 28 U.S.C. §§ 1331 and 1345.

1 effort to prevent the filing of required financial transaction reports. Defendant receives at least
2 some financial compensation for this conduct, by transmitting to an accomplice slightly smaller
3 amounts than he receives and keeping the difference for himself.

4 8. Defendant completed most financial transactions with Bitcoin. Bitcoin is a
5 cryptocurrency that is regulated, if at all, not by a central government authority, but through a
6 decentralized peer-to-peer network using blockchain technology to maintain a public ledger of
7 the cryptocurrency. The value of Bitcoin (and similar such cryptocurrencies) can fluctuate
8 wildly. There are numerous third-party brokers that can convert conventional (or fiat) currency
9 into Bitcoin and vice versa. Bitcoin holders can maintain their accounts through online
10 accounts (e.g. digital wallets) and send or receive Bitcoin to other users through these digital
11 wallets.

12 **(I) Money laundering and international money laundering**

13 9. Beginning at least as early as 2019, Defendant has knowingly and willingly
14 accepted hundreds of thousands of dollars from multiple sources and then transmitted much of
15 that money to accomplices by depositing the moneys he receives into his Bitcoin wallet and
16 giving his accomplices access to that same wallet.

17 10. Defendant's wallet shows that he received Bitcoin from numerous different
18 sources and sent Bitcoin to at least two distinct accounts.

19 11. Between November 2019 and June 2020, Coinsource, a financial company,
20 reported suspicious transactions involving Defendant purchasing Bitcoin. Coinsource assists
21 customers converting U.S. dollars into Bitcoin. Defendant was observed conducting a high
22 amount of transactions totaling approximately \$199,540 of Bitcoin, based on the value of
23 Bitcoin at the time of the transactions. Coinsource questioned Defendant about this activity

1 and Defendant stated that he was using his account to resell Bitcoin to other individuals.
2 Coinsource stated that Defendant needed to register as a money services business in order to
3 conduct these transactions. Defendant failed to comply and Coinsource deactivated his
4 account.

5 12. Between February and June 2020, Wells Fargo Bank reported that Defendant
6 received 53 incoming checks and money orders, many from out-of-state locations, including
7 locations in Texas and Arizona, and from individuals with no perceivable relationship to
8 Defendant. The deposits ranged between \$100 and \$8,700 and totaled \$65,224. In addition,
9 Defendant received incoming wire transfers that totaled \$3,470. Defendant then conducted a
10 total of 65 cash withdrawals in amounts ranging from \$4 to \$7,000, totaling \$68,617, at
11 multiple locations in King County, Washington.

12 **(2) Structuring**

13 13. Defendant engaged in conduct designed to cause domestic financial institutions
14 to fail to file a report required under 31 U.S.C. § 5313(a), and the regulations promulgated
15 thereunder. Defendant repeatedly caused and attempted to cause his cash withdrawals to be
16 structured in amounts designed to avoid this transaction reporting requirement.

17 14. For example, when Coinsource explained to Defendant he needed to register as
18 a money services business, Defendant purposefully began using other means to convert
19 payments into Bitcoin and Coinsource closed his account.

20 15. For further example, in June and July 2020, HomeStreet Bank reported that
21 Defendant deposited cashier's checks from out-of-state individuals of approximately \$16,012
22 in total. Defendant then made six cash withdrawals in locations across Western Washington
23 and Oregon in amounts between \$600 and \$4,500, for a total of approximately \$15,200.

B. Defendant's Knowledge of Fraud, Intent to Conceal the Nature, Source, Location, Ownership, or Control of Proceeds, and Intent to Evade Transaction Reporting Requirements

16. On information and belief, Defendant has engaged in the financial transactions alleged in Paragraphs 7 through 15 with the knowledge that the moneys he receives from and transmits to accomplices are obtained by fraud schemes or other specified unlawful activity.

17. On information and belief, Defendant has engaged in the financial transactions alleged in Paragraphs 7 through 15 with the intent to conceal the nature, source, location, ownership, or control of proceeds.

18. On information and belief, Defendant has engaged in the financial transactions alleged in Paragraphs 13 through 15 with the intent to evade transaction reporting requirements.

C. Harm to the United States

19. The United States is suffering continuing and substantial injury from Defendant's banking law violations.

20. Defendant is continuing to facilitate his banking law violations. Absent injunctive relief by this Court, Defendant will continue to cause continuing and substantial injury to the United States and victims.

COUNT I
(18 U.S.C. § 1345 – Injunctive Relief)

21. The United States re-alleges and incorporates by reference Paragraphs 1 through 20 of this Complaint as though fully set forth herein.

22. By reason of the conduct described herein, Defendant has committed, is committing, and is about to commit banking law violations as defined in 18 U.S.C. § 3322(d), including money laundering with intent to conceal in violation of 18 U.S.C. § 1956(a)(1)(B)(i), money laundering with intent to evade transaction reporting requirements in violation of

1 18 U.S.C. § 1956(a)(1)(B)(ii), and structuring cash transactions to evade transaction reporting
2 requirements in violation of 31 U.S.C. § 5324.

3 23. Because Defendant is committing or about to commit banking law violations as
4 defined in 18 U.S.C. § 3322(d), the United States is entitled, under 18 U.S.C. § 1345, to seek a
5 permanent injunction restraining all future banking law violations and any other action that this
6 Court deems just to prevent a continuing and substantial injury to the United States.

7 24. As a result of the foregoing, Defendant's conduct should be enjoined pursuant to
8 18 U.S.C. § 1345.

9 **VI. PRAYER FOR RELIEF**

10 WHEREFORE, Plaintiff, United States of America, requests of the Court the following
11 relief:

12 A. That the Court issue a permanent injunction, pursuant to 18 U.S.C. § 1345,
13 ordering that Defendant is restrained from engaging, participating, or assisting in money
14 laundering, international money laundering, structuring transactions to evade transaction
15 reporting requirements, and any money transmitting business; and

16 B. That the Court order such other and further relief as the Court shall deem just
17 and proper.

18 //

19 //

1 Respectfully submitted this 17th day of November, 2020.

2 BRIAN T. MORAN
3 United States Attorney

4 s/ Nickolas Bohl
5 NICKOLAS BOHL, WSBA #48978
6 Assistant United States Attorney
7 United States Attorney's Office
8 700 Stewart Street, Suite 5220
9 Seattle, Washington 98101-1271
10 Phone: 206-553-7970
11 Fax: 206-553-4067
12 Email: nickolas.bohl@usdoj.gov

13 Counsel for United States of America
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CERTIFICATE OF SERVICE

I hereby certify that I am an employee in the Office of the United States Attorney for the Western District of Washington and of such age and discretion as to be competent to serve papers;

It is further certified that on this day, I caused said pleading to be mailed by USPS First Class Mail to Defendant, addressed as follows:

Eric Richey
11724 SE 225th St
Kent, WA 98031

Dated this 17th day of November, 2020.


CAITLIN FROELICH, Paralegal Specialist
United States Attorney's Office
700 Stewart Street, Suite 5220
Seattle, Washington 98101-1271
Phone: (206) 553-7970
Fax: (206) 553-0882
E-mail: caitlin.froelich@usdoj.gov

CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

I. (a) PLAINTIFFS

UNITED STATES OF AMERICA

(b) County of Residence of First Listed Plaintiff
(EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorneys (Firm Name, Address, and Telephone Number)
AUSA Nickolas Bohl, United States Attorney's Office
700 Stewart Street, Suite 5220, Seattle, WA 98101,
206-553-7970

DEFENDANTS

ERIC RICHEY

County of Residence of First Listed Defendant King
(IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.

Attorneys (If Known)

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- ☒ 1 U.S. Government Plaintiff
☐ 2 U.S. Government Defendant
☐ 3 Federal Question (U.S. Government Not a Party)
☐ 4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

- | | PTF | DEF | | PTF | DEF |
|---|----------------------------|----------------------------|---|----------------------------|----------------------------|
| Citizen of This State | <input type="checkbox"/> 1 | <input type="checkbox"/> 1 | Incorporated or Principal Place of Business In This State | <input type="checkbox"/> 4 | <input type="checkbox"/> 4 |
| Citizen of Another State | <input type="checkbox"/> 2 | <input type="checkbox"/> 2 | Incorporated and Principal Place of Business In Another State | <input type="checkbox"/> 5 | <input type="checkbox"/> 5 |
| Citizen or Subject of a Foreign Country | <input type="checkbox"/> 3 | <input type="checkbox"/> 3 | Foreign Nation | <input type="checkbox"/> 6 | <input type="checkbox"/> 6 |

IV. NATURE OF SUIT (Place an "X" in One Box Only)

Click here for: [Nature of Suit Code Descriptions.](#)

CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES	
<input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excludes Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise	PERSONAL INJURY <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury <input type="checkbox"/> 362 Personal Injury - Medical Malpractice	<input type="checkbox"/> 365 Personal Injury - Product Liability <input type="checkbox"/> 367 Health Care/Pharmaceutical Personal Injury Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability PERSONAL PROPERTY <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability	<input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 690 Other LABOR <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Management Relations <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 751 Family and Medical Leave Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Employee Retirement Income Security Act IMMIGRATION <input type="checkbox"/> 462 Naturalization Application <input type="checkbox"/> 465 Other Immigration Actions	<input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 PROPERTY RIGHTS <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 835 Patent - Abbreviated New Drug Application <input type="checkbox"/> 840 Trademark <input type="checkbox"/> 880 Defend Trade Secrets Act of 2016 SOCIAL SECURITY <input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g)) FEDERAL TAX SUITS <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS—Third Party 26 USC 7609	<input type="checkbox"/> 375 False Claims Act <input type="checkbox"/> 376 Qui Tam (31 USC 3729(a)) <input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit (15 USC 1681 or 1692) <input type="checkbox"/> 485 Telephone Consumer Protection Act <input type="checkbox"/> 490 Cable/Sat TV <input type="checkbox"/> 850 Securities/Commodities/Exchange <input checked="" type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 896 Arbitration <input type="checkbox"/> 899 Administrative Procedure Act/Review or Appeal of Agency Decision <input type="checkbox"/> 950 Constitutionality of State Statutes
REAL PROPERTY <input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	CIVIL RIGHTS <input type="checkbox"/> 440 Other Civil Rights <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 445 Amer. w/Disabilities - Employment <input type="checkbox"/> 446 Amer. w/Disabilities - Other <input type="checkbox"/> 448 Education	PRISONER PETITIONS Habeas Corpus: <input type="checkbox"/> 463 Alien Detainee <input type="checkbox"/> 510 Motions to Vacate Sentence <input type="checkbox"/> 530 General <input type="checkbox"/> 535 Death Penalty Other: <input type="checkbox"/> 540 Mandamus & Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition <input type="checkbox"/> 560 Civil Detainee - Conditions of Confinement			

V. ORIGIN (Place an "X" in One Box Only)

- ☒ 1 Original Proceeding
☐ 2 Removed from State Court
☐ 3 Remanded from Appellate Court
☐ 4 Reinstated or Reopened
☐ 5 Transferred from Another District (specify)
☐ 6 Multidistrict Litigation - Transfer
☐ 8 Multidistrict Litigation - Direct File

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):
18 U.S.C. § 1345
Brief description of cause:
Injunction for structuring, money laundering, fraud

VII. REQUESTED IN COMPLAINT:

☐ CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, F.R.Cv.P. DEMAND \$ CHECK YES only if demanded in complaint:
JURY DEMAND: ☐ Yes ☐ No

VIII. RELATED CASE(S) IF ANY

(See instructions):

JUDGE DOCKET NUMBER

DATE 11/17/2020 SIGNATURE OF ATTORNEY OF RECORD s/ Nickolas Bohl

FOR OFFICE USE ONLY

RECEIPT # AMOUNT APPLYING IFP JUDGE MAG. JUDGE

UNITED STATES DISTRICT COURT FOR THE
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

UNITED STATES OF AMERICA,

Plaintiff,

v.

ERIC RICHEY

Defendant.

NO. _____

**[PROPOSED] CONSENT DECREE AND
FINAL JUDGMENT**

CONSENT DECREE AND FINAL JUDGMENT

Plaintiff, United States of America ("Plaintiff"), commenced the above-captioned action in this Court with a complaint pursuant to 18 U.S.C. § 1345, alleging that Defendant, Eric Richey, is committing or about to commit a banking law violation as defined in 18 U.S.C. § 3322(d), including international money laundering in violation of 18 U.S.C. § 1956(a)(2)(B).

Plaintiff and Defendant, *pro se*, wish to resolve Plaintiff's allegations without litigation and jointly request and consent to the entry of this Consent Decree and Final Judgment ("Consent Decree") without Defendant's admission of liability or wrongdoing. Defendant agrees to waive service of the Summons and the Complaint.

1 Defendant has entered into this Consent Decree freely and without coercion. Defendant
2 further acknowledges that he has read the provisions of this Consent Decree, understands them,
3 and is prepared to abide by them.

4 **IT IS HEREBY ADJUDGED, ORDERED, AND DECREED as follows:**

5 1. This Court has jurisdiction over this matter and the parties pursuant to
6 18 U.S.C. § 1345 and 28 U.S.C. §§ 1331 and 1345. Venue is proper in this District under
7 28 U.S.C. § 1391(b) and (c).

8 2. Defendant neither admits nor denies the allegations in the Complaint. Only for
9 purposes of this action, Defendant admits the facts necessary to establish jurisdiction.

10 3. For purposes of this Consent Decree:

11 a. “Defendant” means Eric Richey.

12 b. “Person” means an individual, a corporation, a partnership, or any other
13 entity.

14 c. “Funds” include any currency, check, money order, stored value card,
15 stored value card numbers, bank wire transmission, or other monetary value.

16 d. “Money transmitting business” refers to a person who, for a fee, receives
17 funds from one person for the purpose of transmitting the funds, or providing access to the
18 funds, to another person.

19 e. “Fee” refers to a payment or compensation of any kind regardless of how
20 the payment or compensation is labeled, including but not limited to processing fees,
21 service fees, expediting fees, purchase fees, nominal fees, symbolic payments, gifts and
22 gratuities.
23

1 4. Upon entry of this Decree, Defendant is permanently prohibited and enjoined
2 from, directly or indirectly, assisting, facilitating, or participating in any money transmitting
3 business.

4 5. Within five (5) days after entry of this Consent Decree, the Defendant is ordered
5 to submit to Postal Inspector Amy Kerkof a written acknowledgement of receipt of this Consent
6 Decree sworn under penalty of perjury. The statement shall be addressed to:

7 U.S. Postal Inspector Amy Kerkof
8 U.S. Postal Inspection Service
9 P.O. Box 400
 Seattle, WA 98111
 206-442-6132 (desk)

10 6. The Consent Decree shall not be modified except in writing by Plaintiff and the
11 Defendant and approved by the Court.

12 7. This Consent Decree shall constitute a final judgment and order in this action.

13 8. This Court retains jurisdiction of this action for the purpose of enforcing or
14 modifying this Consent Decree and for the purpose of granting such additional relief as may be
15 necessary or appropriate.

16
17 **DONE AND ORDERED** in Chambers at Seattle, Washington, this _____ day of

18 _____, 2020.
19
20
21
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23

1 **APPROVED AND ENTERED BY THIS COURT**

2 Dated this ____ day of _____, 2020.

3 _____
4 HONORABLE _____
United States District Judge

5 We hereby consent to the entry of the foregoing Decree:

6 **FOR DEFENDANT ERIC RICHEY**

7
8 Dated: November 9th, 2020

9 Eric Richey
Eric Richey

10
11 **FOR PLAINTIFF THE UNITED STATES OF AMERICA**

12 BRIAN MORAN
13 United States Attorney

14 Dated: November 17, 2020

15 By: s/ Nickolas Bohl
16 NICKOLAS BOHL, WA #48978
17 Assistant United States Attorney
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